

**Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES**

Date: October 6, 2009: **Time:** 7:30 A.M.

MEMBERS PRESENT

Rich Adams
Christian Alder
Terry Benelli
Jared Langkilde
Jim LeCheminant
Steve Parker
Jo Wilson
Steve Wood

EX-OFFICIO

Mayor Scott Smith (excused)
Chris Brady
Brian Campbell
Jeff Crockett (excused)
Charlie Deaton (excused)
Steve Shope

STAFF PRESENT

Betsy Adams
Shelly Allen
Patrick Murphy
Jaye O'Donnell

MEMBERS ABSENT

None

GUESTS

None

1. Chair's Call To Order

Chair Jim LeCheminant called the October 6, 2009 meeting of the Economic Development Advisory Board to order at 7:31 A.M. at the City of Mesa Council Chambers, Lower Level, 57 1st Street, Mesa, AZ 85201.

2. Introduction of new Board Member and Staff Member

Chair LeCheminant introduced and welcomed new Board member Mr. Jeff Pitcher and new staff member Jaye O'Donnell.

Mr. Pitcher thanked Chair LeCheminant and Board for the warm welcome. He shared that he was an attorney at Ballard Spahr mainly working in the Real Estate and Foreclosure area. He graduated from the University of Utah achieving a degree in finance and a Juris Doctor degree from Brigham Young University Law School. He is looking forward to serving on the board.

Mrs. O'Donnell recently came to the City of Mesa from the Arizona Department of Commerce (ADOC). She was the Senior Director of the Marketing and Business Attraction Division for ADOC. Prior to ADOC she was the Director of Marketing at the Arizona Office of Tourism. She is knowledgeable in the targeted industries that the City of Mesa is focusing on and her background will serve the City of Mesa very well. She commented that it is an honor and a privilege to be at the City of Mesa with the great team in Economic Development as well as other city staff.

3. Items from Citizens Present

None

4. Approval of Minutes from September 1, 2009 board meeting.

Chair LeCheminant called for a motion to approve the minutes from the meeting held on September 1, 2009.

MOTION: Rich Adams moved that the minutes from September 1, 2009 be approved as written.
SECOND: Steve Parker
DECISION: Passed unanimously.

5. EDAB feedback on tour of Phoenix-Mesa Gateway Airport area

Chair LeCheminant asked for follow-up comments from the Board on the tour to Phoenix-Mesa Gateway Airport area. He commented that the tour was great and gave a special thanks to Mr. Steve Shope for arranging the tour of CERI and The Air Force Research Lab (AFRL) and Mr. Lynn Kusy for hosting the Board at the airport.

Mr. Christian Alder commented that the tour was great and well worth the time. He suggested that a tour be conducted at least once a year.

6. Discussion of Board member Duties and Responsibilities

Chair LeCheminant asked for any comments on the duties and responsibilities from the Board. He also referred to the handouts such as the City Code-Title 2, Chapter 21 and the Economic Development Advisory Board Bylaws.

Mr. Rich Adams commented that he had requested this item be placed on the agenda for several reasons. He was looking back and reviewing the things that the Board has done and accomplished, heard, worked on and made recommendations on over the past year or so. He found himself questioning whether the time and commitment was as effective in the volunteer role as it possibly could be. He thought it a good opportunity for the Board to review the City Charter to determine if they could be more effective.

Chair LeCheminant suggested a more in-depth review and discussion take place at a future meeting.

Ms. Jo Wilson commented that she was glad that this item was on the agenda. She too has wondered if she is adding value to the Board. She struggles with reviewing over the past year exactly what needed advise has been given. She commented that there have been wonderful presentations, she has learned a lot through those presentations, but as a Board she is not sure they are functioning as an advisory board. She suggested taking a look at how and where to go in the future to effectively use the resources the members have to offer the Board. She suggested further discussion and review.

Mr. Brian Campbell commented that he applauded adding this to the agenda. This has been an area of struggle for this Board. The struggle is not due to any member on the Board, but is a systemic function of economic development. He commented that there are so many target rich environments and it can be frustrating to not be able to pick any one of them and pursue it aggressively. This is one of the challenges of the Board to step into that fast moving interconnected world and pursue something effectively to an outcome. He encouraged the Board members individually to serve in leadership positions and undertake special assignments to achieve a positive outcome. He gave as an example everyone working together to pass the Solar Renewable Energy Project Bill #1403. He encouraged the Board members to choose an area of interest and then to pursue that avenue. He suggested finding a place where individually they can contribute by giving and using their resources. The City needs and welcomes all the helpful relationships.

Ms. Terry Benelli commented that she took the opportunity to give support for the Enterprise Zone at the City Council meeting, Monday, October 5, 2009. The Board has opportunities to voice their support or contribute advice at the City Council meetings.

Mr. Jared Langkilde commented that under the Power and Duties that are listed and perhaps as the Board reviews these that the Board can focus in on specifically learning how to do some of the things that are outlined as responsibilities. He suggested actually learning how to do several of the duties. He suggested learning about the assets, liabilities, incentives and being a contact to businesses instead of just learning about the great things that are going on in the city. He also suggested he would like to see the Board be more proactive.

7. Project Update on Enterprise Zone Application

Mr. Patrick Murphy stated that a renewal Enterprise Zone Application is being submitted to the Arizona Department of Commerce (ADOC). The primary goal of the Arizona Enterprise Zone program is to improve the economies of specific areas within the state. The program is designed to enhance opportunities for private investments. The City of Mesa's Enterprise Zone was established in 2005. The boundary areas include west Mesa, the downtown area, and the Town Center Redevelopment area. The boundaries are from Stapley Drive all the way west to the Tempe border.

There are 2 benefits to a business located within the Enterprise Zone:

- Job Tax Credits
Over a 3 year period tax credits may total up to \$3,000 per qualified employee for a maximum of 200 employees in any given tax year.
- Property Tax Benefits
These benefits can result in approximately 40-60% overall savings on the business' State property tax bill.

Mesa's Enterprise Zone was established in 2005 and will expire at the end of 2009. The renewal application is being submitted to renew that zone. The State has several requirements for an Enterprise Zone such as:

- Size of at least ¼ square miles and Mesa has 7.24 square miles
- Population of at least 1,000 persons and Mesa has 45,514 persons

- Poverty rate of at least 20.85% and Mesa has 21.05%

The above information is obtained from the 2000 Census.

The goals of Mesa's Enterprise Zone are:

- Improve the economy enhancing opportunities for private capital investment and job opportunities for zone residents.
- Support Land Use planning that encourages new employment intensive uses.
- Market the Enterprise Zone.
- Actively support the relocation and expansion of businesses into the Zone.

8. Directors Report

Ms. Shelly Allen gave an update on the Julio Cesar Chavez Campoenes Restaurant. The restaurant is a great reuse of a big box retail building. The restaurant is located at the southwest corner of Country Club and Southern. The VIP Opening is scheduled for October 21, 2009 followed by the General Public Opening on October 27, 2009.

Ms. Allen encouraged the Board members to attend the East Valley Partnership/ Cox East Valley Economic Forum on November 4, 2009 from 4-7 p.m. It is to be held at The Buttes in Tempe with the theme being "Leadership at the Cross Roads."

The City Manager is hosting a local Auto Dealership Appreciation Event on November 5, 2009 from 5-7 p.m. at the Mesa Arts Center. The top 30 automobile dealerships and RV dealerships have been invited to a reception and the Country Western star singer Jo Dee Messina concert at the Mesa Arts Center. It is an acknowledgement and appreciation of the auto dealers' contribution to the City of Mesa.

9. GPEC Update

Mr. Brian Campbell commented that GPEC has been asked by the governor to become involved with helping to reshape or retool the Enterprise Zone program. The perception is that the Enterprise Zone program does not function well. The private capital investments are being focused on since a publicly traded company does not qualify for the Enterprise Zone program in Arizona. The state cannot attract a company such as Intel, IBM or Boeing into an Enterprise Zone under the current qualifications and structure. The jobs that are created under the current structure are basically poverty level jobs based on a \$9.00 per hour wage. Once the \$9.00 per hour job is created the workers automatically qualify for AHCCCS. In essence the state is subsidizing the creation of jobs that immediately goes to the draining of our healthcare dollars. The state is looking at retooling the Enterprise Zone program to make it more effective to include high wage jobs. The Enterprise Zone program is very effective in helping the low wage folks. There are some political differences. A Super Zone or an EZ Plus program is being looked at to help attract high quality, high wage jobs.

Mr. Campbell encouraged the Board members to come together as the process is moving forward. It would be a wonderful opportunity for Mesa to be on the cutting edge and to be in a position to control the process through our presence at GPEC. Mesa can begin to

formulate policies so that if and when they are successful at the legislature in implementing these changes Mesa will be first in line to hit the high wage job tool and run with it. This would be a great project for this Board to be able to push forward.

Mr. Campbell commented on the GPEC Annual Dinner held on October 1, 2009. It was well received and the newspaper the following day applauded GPEC in its efforts by pointing to the success of the Renewable Energy bill passed.

10. Other Business

Chair LeCheminant reminded the EDAB members of the next scheduled meeting on November 3, 2009 to be held at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, Arizona 85201.

He also encouraged all Board members that did not attend the New Members Orientation in September to do so on October 6, 2009, Room 170, 20 E. Main Street at 6:00 p.m.

City Manager Chris Brady commented that there are numerous things going on in Mesa and the State. He offered to make a list to give the Board more assignments.

Mr. Langkilde requested an update on the Business Registry/Licensing and an update on the questions that Mr. Charlie Deaton had asked Ms. Corinne Nystrom from Falcon Field. He said that there were commitments made that the Board would be updated on the questions as the information was not available at the time.

Ms. Benelli commented that on October 13, 2009 Matta's is breaking ground at Riverview and encouraged the Board members to attend. She also encouraged everyone to attend the 2nd Friday Events in downtown Mesa. Letters of support are due on Friday, October 9, 2009 for the Brownfield application going to the Federal Government. She encouraged the Board to write individual letters of support for the application. The application is to receive grant money to do a Brownfield Study along the intended extension of the light-rail route where there possibly had been a gas station or a type of business that might have posed an environmental issue.

Mr. Langkilde commented that he read in the newspaper where Emerson was closing the Mesa plant with a loss of 150 jobs. He was concerned if Mesa had approached them to bid them farewell so they leave on positive terms. He wondered if any other companies may be on the brink of leaving and with some tender loving care may decide to remain.

Ms. Allen responded that our office has been in contact with Emerson and the decision to close the plant is for consolidation purposes only. At this point the Economic Development Office is unaware of any other companies that are planning to leave Mesa.

Mr. Steve Shope announced a UAS Simulation and Training Center Stakeholders Workshop on October 23, 2009 at the Crowne Plaza San Marcos Resort in Chandler. The purpose of the meeting is to gather all key stakeholders together that are interested in participating in the Center of Excellence.

Ms. Wilson commented that the Workforce Sub-Committee will meet on Thursday, October 15, 2009 at 9:30 a.m. in the Economic Development Office.

11. Adjournment

Chair LeCheminant adjourned the meeting at 8:12 a.m.

Submitted By:

William J. Jabjiniak
Economic Development Department Director
(Prepared by Betsy Adams)